

STATE OF HAWAII  
**REAL ESTATE BRANCH**  
PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
250 SOUTH KING STREET ROOM 702  
HONOLULU HAWAII 96813  
<http://www.hawaii.gov/hirec>

April 24, 1997

TO: All Contact Persons, Developers and Managing Agents  
of Associations of Apartment Owners

FROM: Real Estate Commission

RE: 1997-1999 Biennial Condominium Association Registration

**This is your association's registration application and instructions for the 1997-1999 Biennial Condominium Association Registration.** Each condominium project having six (6) or more apartments is required to register for the two (2) year registration period beginning June 30, 1997 and ending June 30, 1999. The completed registration application, responsibility form, certification statement of insurance and payment of registration fees are due to the Commission by **FRIDAY, MAY 30, 1997.** The purpose of requesting this information is to provide resource information to the Legislature, to gather data for condominium education programs and to maintain a source of material information about condominiums for the public.

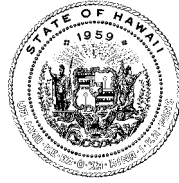
To avoid penalties, return your completed registration application form and payment early. **Registration is now \$50 plus \$4 per unit for the two year period.** Penalties are now fifty dollars (\$50) per late registration, and 10% of the education fund fee amount due. New features of this registration include:

**Simplified Insurance Procedure:** Forward the "1997-99 Certification Statement of Insurance for Association of Apartment Owners" to your authorized insurance representative for his or her original signature. Have your insurance representative review the fidelity bond requirements on the reverse, complete the form with an original signature or stamp of the authorized insurance representative and return it to you for filing with your registration application. Faxed signatures are not accepted.

**New Questions:** Read and complete the forms carefully. There have been revisions to this form since the last registration. There are new questions added to Item 13, replacement reserves has additional questions. Questions 14 and 18 have been simplified. Questions 4 and 7 require the names, addresses and phone numbers of the officers of the association and the names and positions of persons handling funds. A response may be provided on the last page of the application in the space provided.

**REMINDER:** It is your continuing obligation and responsibility to submit changes to the information submitted to the Commission, including cancellation of fidelity bond coverage.

If you need assistance with this registration application, please call 586-2644 and ask for a condominium registration clerk.



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April 24, 1997

TO: Association of Apartment Owners  
Managed by Registered Condominium Managing Agents

FROM: Real Estate Commission

RE: Responsibility for AOA Registration Applications

By an original signature, please indicate on the bottom of this form the person who will be responsible for preparing and submitting the 1997 AOA registration applications.

In the past, we have experienced such problems as who to communicate with, who is responsible for deficiencies in the registration and conflicting communications from board members versus the condominium managing agent.

Please be advised that delegating authority for completing and submitting a complete application does not relieve the AOA from responsibility for the application, it merely authorizes us to work with the designated condominium managing agent should any problems arise with the application.

Please sign below, in your capacity as a developer, sole owner or board member to indicate who will be the designated contact person for this registration period. **Return the signed statement with your completed application** to the Real Estate Branch. Your cooperation is greatly appreciated.

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As the sole owner, officer, or the developer for the condominium association \_\_\_\_\_  
\_\_\_\_\_, I hereby designate \_\_\_\_\_ to act as  
the contact person for the completion and submission of the 1997 association registration  
application(s).

Dated: \_\_\_\_\_, 199\_\_\_. \_\_\_\_\_  
Signature of delegating authority

# CONDOMINIUM ASSOCIATION REGISTRATION, BONDING, AND EDUCATION FUND

## **DEADLINE - May 30, 1997** **Information and Instructions**

**WHO MUST REGISTER:** Section 514A-95.1, Hawaii Revised Statutes, requires registration by all condominium projects or associations of apartment owners (AOAO) comprised of **six or more apartments** (regardless of the use of the apartment - residential, hotel/resort, commercial, time share, agricultural, parking, industrial, etc.) Developers or managing agents are also required to register AOAOs who have not held a first meeting and it has been at least one year after recordation of the first purchase of the first apartment in the condominium project.

**REGISTRATION:** This registration, including payment of all fees is due by **MAY 30, 1997**. A completed registration consists of a COMPLETED registration application form, required fidelity bond certification statement or exemption, payment of registration fee, payment of condominium management education fund fee. Those who have not registered by the deadline are required to file as a new applicant, and are subject to payment of penalty fees.

ADVISORY - submit a completed registration as early as possible so that any deficiency can be corrected before the due date. Historically, those who file at the last minute have the highest incidence of deficiencies and incur PENALTY FEES.

**FEES:** Attach payment for registration fee and condominium management education fund fee.

**Registration Fee** - \$50.00 per AOAO. An additional \$50 penalty fee will be assessed for late payment or late registration.

**Condominium Management Education Fund Fee** - \$4.00 per apartment. For the biennial period, four dollars multiplied by the number of apartments in the AOAO. A penalty of 10% of the amount due will be assessed for late payment.

Check should be made payable to: Commerce and Consumer Affairs.

**Note:** *Your fee payment will be deposited immediately upon receipt. The depositing of the payment is not to be considered an approval of the license, registration or certification. If for any reason the registration application is not approved, or the processing of the registration application is terminated, any refunds due will be processed. Refunds take approximately six to eight weeks to process. Application fees are non-refundable.*

*One of the numerous legal requirements that you must meet in order for your registration to issue is the payment of fees as set forth in this application. You may be sent a certificate before the check you sent us for your required fees clears your bank. If you check is returned to us unpaid, you will have failed to pay the required registration fee and your registration will not be valid. Also, a \$15.00 service fee will be charged for checks which are returned by the bank.*

**BOND:** The Certification Statement of Insurance form or fidelity bond exemption shall be submitted with the association registration application form or the registration application will be considered an INCOMPLETE REGISTRATION.

See the attached CONDOMINIUM ASSOCIATION FIDELITY BOND REQUIREMENTS for specific information.

**WARNING:** In addition to penalty fees, failure to submit a completed registration application form and the required fees by the due date will result in the AOAO being denied standing to maintain any action or proceeding in the courts of this State and preclude the AOAO from filing any action to collect delinquent maintenance fees or foreclose any lien for common expenses.

**Responsibility to report changes:** State law requires all associations to report immediately in writing any changes to the information contained on the registration application, the evidence of the fidelity bond, or changes on any other documents required by the Real Estate Commission.

**MAIL OR DELIVER REQUIREMENTS TO:** Real Estate Branch  
Association Registration  
250 South King Street, Room 702  
Honolulu, HI 96813

**PHONE NUMBER:** (808) 586-2644

**CONDOMINIUM ASSOCIATION REGISTRATION, BONDING, AND EDUCATION FUND**  
**Information and Instructions (continued)**

Effect of Failure to Submit Information Required by Statute or Rules:

The Commission may reject or terminate any registration for failure to submit written confirmation of any of the information required by statute or Commission rules.

**Instructions for Completing the Application Form by Section Number:**

**All information in the condominium association registration application is considered public information.**

1. The project name and registration number is the name and number given the project when it first registered with the Commission as a condominium project.
2. **Project Street Address** refers to the physical location of the project. If the project does not have a street address, please provide the project location, e.g. the island located on and the closest physical landmark or street intersection to the project.
- 3 & 4. **The name, address, and phone numbers of the officers are public information under 514A-95.1, Hawaii Revised Statutes. One of the officers shall be designated as the public contact person.** Those who desire their mailing and correspondence to go to a managing agent or other address can indicate this in response to item 4a.
5. **Self-managed** refers to associations which manage their projects with the help of volunteers or association employees, and which do not retain the services of an independent condominium managing agent.  
  
**Fiscal** management refers to accounting, budgeting, collecting, depositing, and disbursing funds for the association. Any person, including an accountant or bookkeeper, who is not an employee and who collects, deposits, or disburses funds for the association is considered a fiscal managing agent. **Both management types, fiscal and physical, must be registered as managing agents of the AOA.** Call 586-2646 for details.
6. **Submit a completed Certification Statement of Insurance signed by the AOA's insurance representative or bond agent. Submission of fidelity bond policy and certificate of insurance are not required.** Although the certification statement will be accepted in lieu of the bond, §514A-95.1, HRS, requires the Association to keep current a fidelity or employee dishonesty bond. See attached CONDOMINIUM ASSOCIATION FIDELITY BOND REQUIREMENTS. For information regarding bond exemption application, please call 586-2644.
7. Persons handling funds includes persons receiving or depositing funds or any type of signature authority on the association fund.
8. **Commercial** refers to any commercial use of an apartment for stores, offices, and businesses, except **industrial** which should be included in the "**Other**" category.  
  
**Residential** refers to any use of an apartment as a dwelling, except that apartments known to be used for short-term rentals of less than 30 days should be included in the "**Other**" category as **hotel**. Units known to be in a timeshare plan also should be included in the "**Other**" category.  
  
**Owner occupied** refers to an apartment occupied by the owner and not rented or leased. Please indicate if figures are estimates.
9. Indicate if there is a hotel operation, rental pool, or transient rentals in the project.
10. An annual budget shall be prepared and distributed to the owners as required by law.
11. The current monthly maintenance fees assessed each owner. If the fees among owners vary, please indicate the range. If you attach a financial statement, it should clearly show the amount being collected from owners for the month or quarter prior to the date you complete this form. If a financial statement is not available attach any statement clearly indicating that information.
12. Any special assessments levied against the owners apart from normal maintenance fee assessments for a particular purpose, such as replacement of elevator, re-roofing, equipment, legal fees, etc.?

**CONDOMINIUM ASSOCIATION REGISTRATION, BONDING, AND EDUCATION FUND**  
**Information and Instructions (continued)**

13. As condominium projects in Hawaii age, long-term planning for future capital improvements, repairs, and unexpected expenses become more important. Replacement reserves are funds which the board of directors must collect from the owners for the upkeep, repair or replacement of those parts of the project which the AOA is obligated to maintain. "Estimated replacement reserves" means funds which an association's reserve study indicates must be assessed and collected during a budget year to establish a full replacement reserve for the association by the end of the budget year. "Full replacement reserve" means reserve funds for an asset equal to: the projected capital expenditure or major maintenance required for the asset at the end of its estimated useful life; multiplied by a fraction which has as its numerator and denominator the asset's estimated age and estimated useful life, respectively. Prior to the budget year of 1997, state law provides an AOA shall have collected 25% of the amount which the AOA's reserve study indicates will be a full replacement reserve for the AOA on January 1, 2000, and the AOA shall have collected 50% of the full replacement reserve by January 1, 2000.
14. AOAs are required to have annual audits and one annual unannounced verification of the AOA's cash balance. An AOA with less than twenty owners may waive the annual audit by a majority vote.
15. Accurate information on the ownership of the land beneath condominium projects is needed. If the lessor has sold the fee interests for some or all of the apartments in a condominium project which was originally leasehold, the project may be characterized in one of two ways. If the association purchased all of the fee interest of the land beneath your project which was not purchased by the apartment owners, your project is considered **fee simple**. If each owner did not purchase the percentage fee interest attributed to his or her apartment and that percentage fee interest was not purchased by the association, your project is considered **partially converted**. If the project is partially converted, please indicate, to the best of your knowledge, the number of apartments not converted to fee simple at the time of registration. For the purposes of this question, **not converted to fee simple** means that the owner has not closed a sales transaction for the purchase of the percentage fee interest.
16. Response to this question is required for projects still in leasehold. If ground lease terms vary from apartment to apartment, please include ground lease information for an apartment that is representative of the majority of apartments in the project. Please also indicate the type of apartment used as a representative apartment (e.g., studio, one bedroom, etc.). Please indicate the present amount of ground lease rent, and the previous renegotiation date (if any). If ground lease terms vary from apartment to apartment, please include ground lease information for an apartment that is representative of the majority of apartments in the project. Please also indicate the type of apartment used as a representative apartment (e.g., studio, one bedroom, etc.).
17. Amendments to either the declarations or bylaws are not valid unless duly recorded.
18. Board of director's meetings must be held at least once a year, conducted in accordance with Robert's Rules of Order. All board meetings, other than executive sessions must be open to all owners.
19. A membership list shall be maintained at a place designated by the board of directors.
20. If the AOA bylaws do not prohibit pets, they generally may be kept subject to reasonable restrictions in the bylaws.

Questions 21. through 23.:

State law governs the retention of records in a condominium and such records specified in Chapter 514A, Hawaii Revised Statutes, must be available at reasonable hours for review by any owner.

**Liability for Misstatements:**

The Commission expects and requires every board president, vice president, secretary, treasurer, or developer to make a good faith effort to provide accurate information. That obligation should not be taken lightly and penalties can be imposed for false statement. Nevertheless, if after a good faith effort you are unable to answer a question correctly or accurately, please indicate and explain, if necessary.

**JUNE 30, 1997 - JUNE 30, 1999**

**CONDOMINIUM ASSOCIATION BIENNIAL  
REGISTRATION APPLICATION**

FOR OFFICE USE	
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**ALL INFORMATION PROVIDED  
IS PUBLIC INFORMATION**

**DEADLINE: MAY 30, 1997**

1. Name of Condominium Project: \_\_\_\_\_  
Project Reg. No: \_\_\_\_\_ Total No. of Apartments: \_\_\_\_\_
2. Project Street Address: \_\_\_\_\_
3. President of the Board of Directors: \_\_\_\_\_  
Public Address: \_\_\_\_\_  
Public Telephone No.: \_\_\_\_\_
4. List the names, office held, addresses and phone numbers of the Officers of the Association on the last page (*See information sheet*).
  - a. Contact Person for the Association to receive mail and correspondence: \_\_\_\_\_  
Public Mailing Address: \_\_\_\_\_  
Public Telephone No.: \_\_\_\_\_
  - b. Officer of the Association who will be the public contact person: \_\_\_\_\_  
Title: \_\_\_\_\_  
Officer's Public Address: \_\_\_\_\_  
Public Telephone No.: \_\_\_\_\_
5. Management Status:  
☐ Self-managed by Association of Apartment Owners (*See information sheet*).  
Name of Manager: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
☐ Managed by Condominium Managing Agent (*see information sheet for instructions*)  
Name: \_\_\_\_\_ CMA Reg. No.: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Management Type: ☐ Fiscal Only ☐ Fiscal and Physical

Reg ..... 593 ..... \$50  
CMEF ..... 918 ..... \$4 x \_\_\_\_\_ = \$ \_\_\_\_\_  
Service Fee... BCF ..... \$15

6. Fidelity Bond: (See information sheet for bond requirements.)

☐ Certification Statement of Insurance is attached.

☐ Bond Exemption Application is attached. File early as it takes a longer review process.

7. On the same page as the list of the Officers of the Association, list the names and positions of persons handling the Association's funds.

8. Use: Indicate **number** of apartments in each type of use. (See information sheet for instructions.)

\_\_\_\_\_ Commercial

\_\_\_\_\_ Agricultural

\_\_\_\_\_ Residential

\_\_\_\_\_ Time share

\_\_\_\_\_ Other (e.g., Hotel, etc., please specify. Indicate if figures given for "other" are estimates.):

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Percentage of residential apartments in the project which are owner-occupied: \_\_\_\_\_%

9. Are there apartments being offered for lodgings of less than 30 days, (e.g. hotel, rental pool, time share, etc.)?

☐ Yes ☐ No

10. Annual Operating Budget:

Did the board of directors prepare and adopt an annual operating budget? ☐ Yes ☐ No

Is it distributed to each apartment owner? ☐ Yes ☐ No

11. Maintenance Fees (see information sheet for instructions):

State the monthly amount of maintenance fees assessed each owner, \$ \_\_\_\_\_, or attach the most recent financial statement indicating a monthly or yearly amount.

Has there been an increase in maintenance fees assessment in the past year? ☐ Yes ☐ No

If so, by how many percent over the previous year(s)? \_\_\_\_\_%

What is the **AOAO's** total amount of delinquent maintenance fees? \$ \_\_\_\_\_

12. Special Assessments:

Was there a special assessment levied against the owners during the past year? ☐ Yes ☐ No

If so, how much per apartment owner? \$ \_\_\_\_\_

The purpose of the special assessment was \_\_\_\_\_

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Has there been any discussion, plan, pending action, or decision to have a special assessment in the near future? If so, how much per apartment and/or for what purpose: \_\_\_\_\_

13. Has the AOAO conducted a reserve study (see information sheet)? ☐ Yes ☐ No

Has the AOAO adopted a long term budget for reserves (e.g., funds not required for immediate common expenses, or funds for future capital improvements, major repairs and maintenance, or unexpected common expenses)? Yes ☐ No ☐

At what percentage level has the AOAO decided to fund its estimated replacement reserves? \_\_\_\_\_%

What percent has the AOAO collected towards the required reserve amount? \_\_\_\_\_%

**(Association of Apartment Owners of \_\_\_\_\_)**

Does the AOA's annual operating budget clearly disclose the dollar amount that will be a full replacement reserve required for the project as of January 1, 2000? ☐ Yes ☐ No

Does the AOA's annual operating budget clearly disclose how much the AOA intends to collect towards its full replacement reserves for each budget year? ☐ Yes ☐ No

Does the AOA annual operating budget include assessments to fund 50% of the estimated replacement reserves? ☐ Yes ☐ No

Has the AOA already collected at least 25% of the funds which the AOA's reserve study indicates will be a full replacement reserve? ☐ Yes ☐ No

Has the AOA decided to fund the estimated replacement reserves through special assessments? ☐ Yes ☐ No If no, what percent? \_\_\_\_\_%

14. Audit Information: Does the AOA conduct an annual financial audit of AOA funds, by a Certified Public Accountant or Public Accountant? ☐ Yes ☐ No Name of the accountant \_\_\_\_\_.

15. Land Ownership Information: The following three (3) sections refer to the ownership of the **LAND** underlying the building(s)/project. Complete **ONLY ONE** of the sections.

(i) ☐ Fee Simple

a. ☐ Originally fee (e.g., from date of original sale)

b. ☐ Originally leasehold but converted to fee (if any part of fee is owned by other than the apartment owners or association, complete "*Partially Converted*", section (iii). (*See information sheet*)).

(ii) ☐ Leasehold

a. ☐ During the past year, the lessor has NOT offered leasehold to fee conversion?

b. ☐ During the past year, the lessor has offered leasehold to fee conversion and the offer is still open for consideration.

c. ☐ During the past year, the lessor has offered leasehold to fee conversion, the offer is closed, and those who accepted are being processed.

(iii) ☐ Partially Converted (e.g., Originally leasehold but now some apartments owned in fee by apartment owners or association, but not all). Number of apartments not converted: \_\_\_\_\_

16. Ground lease information for apartments in project which are still in leasehold:

Total lease term (e.g., 30, 55, 65 years): \_\_\_\_\_

Termination/Expiration Date: \_\_\_\_\_

Previous renegotiation date (if any): \_\_\_\_\_

17. Declaration/Bylaws:

Has the AOA amended its Declaration during the past year? ☐ Yes ☐ No

Has the AOA amended its Bylaws during the past year? ☐ Yes ☐ No

Have those amendments been duly recorded with the Bureau of Conveyances or Land Court? ☐ Yes ☐ No

18. Association and Board Meetings:

How many AOA meetings occurred during the past year and the months the meeting occurred?



Regular \_\_\_\_\_

Special \_\_\_\_\_

How many board of directors meetings occurred during the past year? \_\_\_\_\_

Are the board of directors meetings open to all apartment owners? ☐ Yes ☐ No

How many persons sit on the AOA's board of directors? \_\_\_\_\_

19. Membership List:

Does the AOA keep a current list of all the apartment owners by names and addresses? ☐ Yes ☐ No

20. Does the AOA prohibit pets? ☐ Yes ☐ No

If yes, is the prohibition in the ☐ Declaration ☐ Bylaws ☐ House Rules?

Does the AOA allow apartment owners to keep pets? ☐ Yes ☐ No

The right to have pets and its regulations, if any, are in the ☐ Declaration ☐ Bylaws ☐ House Rules

21. Does your AOA have a reference binder as suggested in the Hawaii Condominium Bulletin, in which is contained the Hawaii Condominium Bulletin, Real Estate Commission Issued Brochures, copy of Chapter 514A (HRS), Chapter 107 (HAR), copy of declaration, copy of bylaws, copy of house rules, etc.? ☐ Yes ☐ No

If so, are apartment owners informed of the existence and availability for review of this binder during reasonable hours?  
☐ Yes ☐ No

22. Does your AOA have a newsletter or some other form of communication with the apartment owners on a periodic basis?  
☐ Yes ☐ No

Are copies of all newsletters or communications kept in a binder and available for review by apartment owners during reasonable hours? ☐ Yes ☐ No

23. Does your AOA keep minutes of all board of directors and association meetings in a binder, and are they made available for review by apartment owners during reasonable hours? ☐ Yes ☐ No

Has the existence of this binder and its availability for review been made known to all apartment owners? ☐ Yes ☐ No

CERTIFICATION OF ASSOCIATION OFFICER OR DEVELOPER:

I HAVE READ AND UNDERSTAND THE INSTRUCTIONS AND INFORMATION THOROUGHLY. IF NOT, I SECURED ADVICE FROM THE REAL ESTATE BRANCH.

I HEREBY CERTIFY THAT THIS APPLICATION IS COMPLETE AS REQUIRED, THAT I AM AUTHORIZED TO SIGN THIS CERTIFICATION AND THAT THE INFORMATION ON THIS APPLICATION AND THE ATTACHMENTS ARE TRUE AND CORRECT.

Signed and dated this \_\_\_\_\_ day of \_\_\_\_\_ 199\_\_\_\_.

\_\_\_\_\_  
Signature of Association Officer

\_\_\_\_\_  
(Please print name)

☐ President ☐ Vice-President ☐ Secretary ☐ Treasurer  
☐ Developer or Developer's Agent registering for unorganized association

## **Association of Apartment Owners of**

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Question #4:

List the names, office held, addresses and phone numbers of the Officers of the Association:

Question #7:

List the names and positions of persons handling the Association's funds:

**1997-1999 CERTIFICATION STATEMENT OF INSURANCE FOR  
ASSOCIATION OF APARTMENT OWNERS  
JUNE 30, 1997 to JUNE 30, 1999**

**Policy Number:** \_\_\_\_\_

**Insured:** \_\_\_\_\_

**Effective Date: From:** \_\_\_\_\_ **To:** \_\_\_\_\_

**Insurance Company:** \_\_\_\_\_

**Type of Bond:** \_\_\_\_\_

1. The undersigned insurance company representative certifies that the above referenced fidelity or employee dishonesty bond includes coverage of any managing agent handling funds, complies with the bond requirements found in §514A-95.1, Hawaii Revised Statutes, and any rules adopted thereunder.
2. The undersigned further certifies that the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, Real Estate Branch will be notified within 30 days of any changes to the fidelity or employee dishonesty bond coverage.\*

\_\_\_\_\_  
**Name of Insurance Company**

\_\_\_\_\_  
**Address**

**By:** \_\_\_\_\_  
**to:**

**Authorized Representative (Signature)**

**\* Notice of cancellation shall be sent**

\_\_\_\_\_  
**Print Name of Authorized Representative**

\_\_\_\_\_  
**Date**

**DCCA - P&VLD  
Real Estate Commission  
P. O. Box 3469  
Honolulu, HI 96801**